DEPARTMENT OF HEALTH & HUMAN SERVICES Centers for Medicare & Medicaid Services

1600 Broadway, Suite 700 Denver, CO 80202-4967



Region VIII

September 26, 2011

Kim Malsam-Rysdon, Secretary Department of Social Services Richard F. Kneip Building 700 Governors Drive Pierre, SD 57501-2291

RE: South Dakota #11-004

Dear Ms. Malsam-Rysdon:

We have reviewed the proposed State Plan Amendment (SPA) submitted under transmittal number (TN) 11-004. This State Plan Amendment implements the necessary changes to the State Plan payment methodologies to comply with the appropriated budget reductions enacted by the 2011 South Dakota State Legislature.

Please be informed that this State Plan Amendment is approved effective July 1, 2011. We are enclosing the CMS-179 and the amended plan page(s).

If you have any questions concerning this amendment, please contact Betty Strecker at (303) 844-7028.

Sincerely,

/s/

Richard C. Allen Associate Regional Administrator Division for Medicaid & Children's Health Operations

CC: Larry Iversen, Medicaid Director Mark Zickrick